

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1931 - SB1901

March 16, 2022

SUMMARY OF BILL: Requires the Department of Children's Services (DCS) to create a pilot program (Pilot) in Knox County, beginning October 1, 2022 and ending December 31, 2027, to provide payments to eligible relative caregivers who have custody of a child at-risk for entering state custody. Requires relative caregiver to meet age and income requirements and agree to participate in any programs offered by DCS to reduce the risk of the child entering state custody.

Requires payment to be subject to the initial and continuing eligibility of the relative caregiver and the child pursuant to this section and rules promulgated by DCS. Authorizes DCS to establish additional requirements for payment.

Requires DCS to publish an annual report on the payments provided pursuant to this legislation no later than February 1 following the conclusion of each calendar year of the Pilot.

Requires DCS to present, no later than October 1, 2025, recommendations for statewide expansion of the pilot program to the Judiciary Committee of the Senate and the Civil Justice Committee of the House of Representatives and additional rules, regulations, and state law changes that may be necessary.

FISCAL IMPACT:

**Increase State Expenditures – \$1,519,300/FY22-23
\$2,031,300/FY23-24
\$2,025,800/FY24-25
\$2,025,800/FY25-26
\$1,012,900/FY26-27**

Other Fiscal Impact – To the extent the relative caregiver program is successful at keeping at-risk children out of state custody, it will generate some savings for the Department of Children's Services that will offset some of the program's costs. Any such savings are dependent upon the effectiveness of the proposed changes toward that end and cannot be quantified at this time.

Assumptions:

- This legislation requires the pilot program to take effect October 1, 2022 and to end December 31, 2027. This effective date provision will make the legislation effective for approximately 75 percent of FY22-23 and 50 percent of FY26-27.
- The proposed language requires the pilot program serve at least 250 children annually.
- Passage of the proposed legislation will require DCS to provide eligible caregivers a daily stipend of \$12 per day, per child.
- Due to the October 1, 2022 effective date, payments will only be made for approximately 75 percent of FY22-23. Therefore, the estimated cost for the relative caregivers' daily stipends in FY22-23 is \$821,250 [(250 children x \$12 per day x 365 days) x 75%].
- The increase in expenditures in FY23-24 associated with providing stipends to eligible caregivers is estimated to be \$1,098,000 (250 children x 366 days x \$12) in FY23-24.
- The increase in expenditures associated with providing stipends to eligible caregivers is estimated to be \$1,095,000 (250 children x 365 days x \$12.00) in FY24-25 through FY25-26.
- Due the pilot program terminating on December 31, 2027, payments will only be made for approximately 50 percent of FY26-27. Therefore, the estimated cost for the eligible caregivers' stipends in FY26-27 is \$547,500 (250 children x \$12 per day x 365 days x 50%).
- The increase in expenditures for each year of the pilot program for daily stipends will be in state funding, as federal funding cannot be used for children who are not in state custody.
- DCS will contract with private providers to manage the pilot program. The current Youth Villages case management contract daily rate is \$15 per day per case.
- It is estimated that a total of 170 families will require case management services each year.
- The increase in state expenditures for FY22-23 through FY26-27 associated with case management costs is estimated to be:
 - FY22-23: \$698,063 [(170 families x \$15 x 365 days) x 75%];
 - FY23-24: \$933,300 (170 families x \$15 x 366 days);
 - FY24-25: \$930,750 (170 families x \$15 x 365 days);
 - FY25-26: \$930,750 (170 families x \$15 x 365 days); and
 - FY26-27: \$465,375 [(170 families x \$15 x 365 days) x 50%].
- The total increase in state expenditures in FY22-23 through FY26- 27 is estimated to be:
 - FY22-23: \$1,519,313 (\$821,250 stipends + \$698,063 case management);
 - FY23-24: \$2,031,300 (\$1,098,000 stipends + \$933,300 case management);
 - FY24-25: \$2,025,750 (\$1,095,000 stipends + \$930,750 case management);
 - FY25-26: \$2,025,750 (\$1,095,000 stipends + \$930,750 case management); and
 - FY26-27: \$1,012,875 (\$547,500 stipends + \$465,375 case management).
- DCS can complete the reporting requirements utilizing existing Department resources.

- Passage of this legislation will have no effect on policies or procedures of the Administrative Office of the Courts (AOC); therefore, any fiscal impact to AOC is not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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